

General Guidelines for Technical Assistance Grants for Credit Unions

Student Internship Initiative-2005

What is the purpose of Technical Assistance Grants (TAGs)?

The National Credit Union Administration's (NCUA's) Community Development Revolving Loan Fund (CDRLF) was established by Congress to support credit unions that serve low-income communities by making loans and TAGs available to qualifying institutions. Low-interest loans/deposits are made available to low-income designated credit unions to enhance their financial capacity to, in turn, extend financial services to their members.

Congress appropriates funds to the CDRLF for loans and grants. The interest earned on loans is also available as a source of additional funds retained by the program for grant purposes. Such grants are provided to:

- Improve the quality of services to members;
- Make the operations of low-income credit unions more efficient; and, ultimately
- Stimulate economic activities in the communities served by the credit unions.

The CDRLF grant program is administered through NCUA's Office of Small Credit Union Initiatives.

How does the grant payment process work?

Grants from the CDRLF are reimbursable grants. Credit unions applying for TAGs under this, or any, CDRLF initiative must obtain approval of the proposed expenditures before making those expenditures. NCUA will not fund any grant where the credit union has committed to, procured, contracted for, or purchased the good or service before receiving approval for the grant.

What is the Student Internship Initiative?

The Student Internship Initiative provides low-income designated credit unions an opportunity to introduce college students to credit unions and credit union operations. Having students work at credit union serves to recruit and develop the next generation of credit union managers.

The purpose of the Initiative is to introduce college students to the credit union philosophy through on-the-job training in credit unions. The Initiative encourages collaboration between credit unions, fosters mentoring, and develops human capital for the long-term safety, soundness, and sustainability of the credit union system.

The Initiative requires that a low-income credit union identify and work with a partner credit union. Both credit unions provide hands-on experience for the intern in various areas of credit union operations. The low-income credit union is referred to as “The Host” and the partner credit union is referred to as “The Partner.” There is no requirement that the Partner credit union be low-income designated.

Which credit unions are eligible to apply?

To participate in the Program, a federally chartered credit union must be currently designated as a “low-income” credit union as set forth in NCUA’s Rules and Regulations, Section 701.34. A state chartered credit union must have the equivalent low-income designation from its respective state supervisory authority (SSA) and concurrence from NCUA.

In addition, based on an Office of Management and Budget (OMB) policy directive effective October 31, 2003, credit unions must have a Dun and Bradstreet Universal Numbering System (DUNS) number in order to be eligible to receive grant or loan funding from the CDRLF. As of this printing, a DUNS number may be obtained by calling Dun and Bradstreet, toll-free, at 1-866-705-5711.

Grant funds are awarded to the low-income designated, or Host, credit union.

Which students are eligible to participate?

To participate in the program, the student must be attending a college or university and must meet the institution’s full-time requirements. The student’s course of study should focus on accounting, information systems, marketing, business, finance, or other related area.

How much money is available?

For 2005, NCUA has allocated \$85,000 to the Student Internship Initiative. Low-income designated credit unions may apply for up to \$2,500 in grant funds under this initiative. Applications will be reviewed as they are received. Grants will be awarded based on the merit of the application, until funds are exhausted.

Grant awards are pro-rated over a 12-week, or 60 business day, period. If the internship is terminated before the end of the 12-week period, the grant award will be pro-rated based on the number of days actually worked, not to exceed 60 hours or \$2,500.

What are allowable uses of grant funds?

This initiative is structured as a stipend. Grant funds are to be used by the credit union to defray the costs of the internship, such as transportation and incidental expenses related to the student intern. Grant funds may not be used to pay salaries.

What are the application deadlines?

Application Open Date: March 15, 2005.
Application Closing Date: This initiative has no closing date. Grants awarded until allocated funds are exhausted.

What is the method for evaluating the grant applications?

Applications will be evaluated as they are received. Evaluations will be based on financial and non-financial factors as listed below.

Financial factors include the following:

CAMEL Rating
Net Worth Ratio
Delinquency Ratio
Return on Assets Ratio.

Financial factors are used to determine the financial health and fitness of the credit union and its ability to carry out the project as described in the grant application.

Non-Financial factors include the following:

Assessment of Management is a determination of whether management has been responsive to examiners, and whether management has the ability and depth to carry out the project described in the grant application.

Purpose is a determination of whether the outcome of the project, as described in the grant application, coincides with the purpose of the CDRLF as described in Section 705.2 of the NCUA's Rules and Regulations. That purpose would be: (1) providing basic financial and related services to residents in their communities; and (2) stimulating economic activities in the communities they serve which will result in increased income, ownership and employment opportunities for low-income residents, and other community growth efforts.

Assessment of Impact is a determination of the scope and reach of the proposed use of the grant funds. Grant applications which indicate that grant funds will have an impact on credit union members and the community as whole receive priority consideration.

Previous Funding is a determination of whether the credit union has received previous CDRLF grant funding. Credit unions which have NOT received funding in the past will receive priority consideration.

Ability to Self-Fund is an assessment of the credit union's net worth, cash, and liquidity to determine whether the credit union has the ability to fund the project on its own. Priority consideration is given to those credit unions which cannot completely fund the project as described in the grant application.

Partnerships is a determination of whether the credit union has developed other partner relationships and has considered other sources of grant funds. Priority consideration is given to those credit unions which have developed partner relationships.

What information needs to be submitted with the grant application?

The following information must be submitted with your application in order to consider your application complete.

1. Technical Assistance Grant application
2. Host Agreement Form
3. Partner Agreement Form
4. Student Agreement Form
5. Student Internship Application form
6. Letter or form from college or university indicating that student is enrolled full-time
7. Resume or letter from student listing work experience

The following information must be submitted with your request for reimbursement and within 30 days of completion of the internship.

1. Host Evaluation
2. Partner Evaluation
3. Student Evaluation
4. Certification of Business Days Worked

To fulfill one of the technical assistance stipend grant conditions, **both** the credit unions (Host and Partner) and the student must complete at the **conclusion of the internship** an independent evaluation of the program. This may be in any format, as long as it adequately provides an assessment of the program, as determined by each party.

Where should completed applications be submitted?

Applications may be mailed to:

Office of Small Credit Union Initiatives
National Credit Union Administration
1775 Duke Street
Alexandria, Virginia 22314

Applications may be faxed to:

(703) 518-6680

When will credit unions know about grant awards?

Applicants will be notified of the award decisions generally within 15 business days after OSCUI receives the application.

How can credit unions contact the office with questions?

Credit unions can contact the office at the address above or
Phone: (703) 518-6610 or Email: oscuiapps@ncua.gov

*National Credit Union Administration
Office of Small Credit Union Initiatives
Community Development Revolving Loan Fund*

Technical Assistance Grant Application Student Internship Initiative-2005
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1. CREDIT UNION NAME	
2. MAILING ADDRESS	
MAILING ADDRESS, CON'T	
3. CITY, STATE, ZIP	
4. CONTACT NAME/TITLE	
5. CONTACT PHONE	
6. CREDIT UNION FAX NUMBER	
7. CREDIT UNION EMAIL ADDRESS	
8. CREDIT UNION CHARTER NUMBER	
9. CREDIT UNION EMPLOYER TAX ID NUMBER	
10. CREDIT UNION DUN AND BRADSTREET UNIVERSAL NUMBERING SYSTEM NUMBER	
11. AMOUNT REQUESTED	\$
12. NAME AND TITLE OF AUTHORIZED INDIVIDUAL	
13. SIGNATURE	

Answer the following questions and attach separate sheets as necessary for your responses.

1. Describe how the grant will benefit the student intern.
2. Can the credit union fund this activity or project from its own resources? Explain.
3. Discuss how participating in the Student Internship Initiative will improve the credit union's operations and benefit credit union members and the community.

Instructions for completing application form

1. Enter the full legal name of the credit union. (EG: Mammoth Employees Federal Credit Union or Middle America Credit Union)
2. Enter the mailing address of the credit union, if necessary use a second line for suite number, building number, floor, or any additional required address information.
3. Enter the City, State, and ZIP code corresponding to the mailing address of the credit union.
4. Enter the name and title of the individual to whom questions regarding this grant application should be addressed.
5. Enter the telephone number of the contact person listed in item 4. above.
6. Enter the fax number of the credit union, if none, enter "none."
7. Enter the credit union's email address (format should be credit.union@ncua.gov), if none, enter "none."
8. Enter the credit union's charter number.
9. Enter the credit union's 9 digit employer Tax ID number.
10. Enter the credit union's 9 digit Dun and Bradstreet Universal Numbering System (DUNS) Number. Dun and Bradstreet Universal Numbering System (DUNS) numbers may be obtained by calling Dun and Bradstreet, toll-free, at 1-866-705-5711.
11. Enter the dollar amount of the grant amount that the credit union is requesting.
12. Type or print the name and title of the individual who is authorized to sign on behalf of the credit union.
13. The individual named in question 12. above must sign the front page of this application.

Questions regarding completing this application can be directed to the Office of Small Credit Union Initiatives at:

National Credit Union Administration
Office of Small Credit Union Initiatives
1775 Duke Street
Alexandria, VA 22314

703-518-6610—phone
703-518-6680--facsimile

E-mail: oscuiapps@ncua.gov

Guidelines for the Host Credit Union

Please review the guidelines listed below. Indicate your agreement to abide by the guidelines by signing and returning the Host Agreement Form with your grant application.

The Host credit union will provide each student intern with an in-depth orientation of what is expected of them and what they are expected to learn about credit unions. The following areas should be covered during the orientation session:

- Explain what a credit union is and how the cooperative system works.
- Share the history and philosophy of credit unions.
- Share the history of *your* credit union. Explain its current structure, e.g., officers, volunteers, etc., and explain its relationship to the National Credit Union Administration.
- Explain your credit union's reasons for participating in the student internship program and highlight any possible employment benefits there, and in the credit union field that may be realized upon completion of the internship program.
- Define and explain in detail any employee policies and procedures that the intern **must** follow during the term of the internship, including procedures for taking time off, lunch, breaks and reporting in and leaving times. Since this is a short-term arrangement, it is expected that the interns will report for duty ready to work an 8-hour day, 5-day, or 40-hour week. In case of an emergency where the student needs to be off, the credit union must report the number of days the student was on duty and ready for work on the Certification of Business Days Worked Form. The grant award will be adjusted accordingly. This must be discussed with the student during orientation or interview time.
- Explain the credit union's general office practices and how the interns should conduct themselves in the workplace with co-workers and in dealing with the public.
- Familiarize the interns with office procedures, such as where policies and procedures are located, whom to contact during emergencies, or any other topics relevant to the credit union's security procedures.

- Introduce interns to all staff members in the credit unions. Identify a mentor or other staff representative as a main contact for the intern.
- Explain that monitoring and evaluation will be ongoing and a Student Evaluation Form must be done at the conclusion of the internship.

The Host credit union will also:

- Agree to contact the college or university to select a student.
- Ensure that the student completes the necessary evaluation forms.
- Agree to designate a mentor or manager to supervise and monitor the intern's progress.
- Agree to partner with another credit union during the internship period.
- Agree to partner with only one student during the internship period.
- Designate the main path that the intern will follow (e.g., finance, marketing, etc.), so that the intern will be properly monitored, and evaluated based upon their interests.
- Follow the Checklists of Duties provided that detail the duties and functions in the credit union, to ensure that the intern is introduced to a wide variety of work experiences. This plan is designed to include most duties that are generally required in credit unions. If the plan does not cover all areas in the credit union, it can be modified to adequately cover all areas.
- Complete and submit the Host Agreement Form to OSCUI with the grant application.

Host Agreement Form

The _____ Credit Union, serving as the **Host**, agrees to **Partner** with _____ Credit Union and _____, a student at _____. We agree to abide by the policies and procedures as set forth in the National Credit Union Administration's Student Internship Initiative component of the CDRLF Program.

If this agreement is terminated, the Host credit union will notify the OSCUI within 15 business days that the internship has terminated.

We understand that the student will serve in the Host credit union at least 3 business days per week and the Partner credit union at least 1 business day per week. The student will work 5 business days per week, or a 40-hour week.

If the student must be absent from either credit union, we understand that the stipend will be adjusted accordingly, and results will be reported to the OSCUI.

Host Credit Union Official's Signature: _____

Name and Title: _____

Date: _____

Guidelines for the Partner Credit Union

Please review the guidelines listed below. Indicate your agreement to abide by the guidelines by signing and returning the Partner Agreement Form to the Host credit union for inclusion in its grant application.

The Partner credit union agrees to:

- Partner with a Host credit union and the student selected by the Host credit union.
- Maintain contact with the Host credit union to monitor and discuss progress of intern.
- Designate a mentor or manager to supervise and monitor the intern's work.
- Designate the path that the intern will follow (e.g., finance, marketing, etc.), so that the intern will be properly monitored and evaluated based upon their major courses and interests; and,
- Follow the Checklists of Duties that detail the duties and functions in the credit union, to ensure that the intern is introduced to a wide variety of work experiences. This plan is designed to include most duties that are generally in credit unions. If the plan does not cover all areas in the credit union, it can be modified to adequately cover all areas.
- Complete and return the Partner Agreement Form to the Host credit union for inclusion with its grant application.
- Complete a Partner Evaluation Form at the conclusion of the internship and provide that form to the Host credit union.

Partner Agreement Form

The _____ Credit Union, agrees to **Partner** with _____

_____ Credit Union, the **Host**, and _____, a student at _____
_____. We agree to abide by the policies and procedures as set
forth in the National Credit Union Administration's Student Internship Initiative
component of the CDRLF Program.

If this agreement is terminated, the Host credit union will notify the OSCUI within 15
business days that the internship has terminated.

We understand that the student will serve in the Host credit union at least 3 business days
per week and the Partner credit union at least 1 business day per week. The student will
work 5 business days per week, or a 40-hour week.

If the student must be absent from either credit union, we understand that the stipend will
be adjusted accordingly, and results will be reported to the OSCUI.

Partner Credit Union Official's Signature: _____

Name and Title: _____

Date: _____

Examples of Duties for Student Intern

The objective is to have students gain experience in these areas by teaching the techniques and skills to gain knowledge that is specific and necessary to successfully perform these duties. Below is a suggested checklist of the knowledge and skill areas:

Lending and Collections

Types of Credit

- Compound interest
- Open end loans
- Closed end loans
- Fixed rates
- Variable rates
- Simple interest

Regulations

- Regulation B
- Regulation Z
- Fair Credit Act

Other

Loan Application

- How to complete
- How to analyze

Credit Bureau Report

- Purpose for
- How to run
- Explanation of
- Interpretation of

Collateral

- Purpose of
- Types of
- Titles
- Liens
- How to use value books

Debt to Income Ratio

- Purpose
- How to calculate

Loan Interviews

Payments and Terms

- Guidelines for terms
- How to calculate payments

Payment Options

- Payroll deduction
- Automatic transfer

Loan Closing

- Verifications
- Completion of documents
- Set up on computer

Policies

Loan Files

- Location of
- How to maintain

Adverse Action

- Definition of
- Procedure for

Collections

- Bankruptcy
- Charge-offs
- Collection letters
- Extensions
- Foreclosures
- Skip Tracing
- Garnishments
- Policies of the CU
- Repossessions
- Right-to-cure standard

Finance

General Ledger

- Basics
- Setting up accounts
- Posting account
- Reconciliation
- Trial balance sheet

Share Drafts

- Processing
- Returned checks
- Draft clearing

Payroll

- Employee timesheets
- Processing of payroll

Regulations

Regulation D
Regulation CC
Truth-in-Savings

Other

Reports

Reg D report to Fed
Income and Expense

Other

Other

Accruals and pre-paids
Accounts payable/receivable
ACH Network
ATM processing
Audits of vault
Bank statement balancing
Cash letters confirmed
Change funds balanced
Electronic funds transfer
Government forms
Journal vouchers reviewed
Monthly depreciation
Negative share processing
Payroll deduction posting
Records retention
Vendor balancing

Marketing**Marketing Strategies**

Assessing need for marketing program
Developing marketing program
Designing form to solicit information from members

Marketing Credit Union Services

Identifying types of new services desired
Highlighting current services

Marketing Methodologies

Internet
E-mail surveys
Interviews with members
Flyers
Publications
Focus groups
News articles
Sample “trinkets” such as key fobs

Information Technology**Computerized Reports Design**

Spreadsheets
Databases
Financial reports

Trends in member borrowing, etc.

Graphic Designs

- Flyers for marketing
- Publications for distribution
- Developing a website

Newsletter

- Assessing need
- Designing format
- Training staff on usage
- Determining circulation

Computer Usage

- Training staffs to more fully utilize a computer
- Training staff on existing software
- Training staff on new software
- Developing users' guide
- Modifying and updating users' guide

Correspondence

- Designing form letters
- Establishing address database
- Establishing files for labels
- Establishing and monitoring e-mail

Student Agreement Form

I, _____, am currently a student at, _____
_____. I agree to abide by the policies and procedures as explained
by the Host and Partner credit unions and the requirements of the National Credit Union
Administration's Student Internship Program.

I understand that I will report for duty ready to work an 8-hour day in the credit union
five days per week, for a total of 40 hours per week.

I understand that internship arrangements are between the Host credit union and the
student.

Signature of Student: _____

Student's Name Printed: _____

Date: _____

Host Credit Union Official's Signature: _____

Name and Title: _____

Date: _____

Student Intern Application Form

You, the student must complete all sections. Feel free to use additional pages if necessary. This program is open to college and university students who are interested in working with credit unions.

Your Name: _____

Your Permanent Address: _____

Name of your College or University: _____

School Address: _____

Classification (freshman, sophomore, etc.): _____

Major Area(s) of Study Interests: _____

Other required information:

1. A letter from your counselor, advisor, or dean indicating that you are enrolled as a full-time student.
2. A resume or letter that describes your work history in brief: give dates, name of organization(s) and describe your duties.

Your application and other materials should be provided to the Host credit union.

<h2>Certification of Business Days Worked Form</h2>

I certify that the total business days worked by the intern during 2005 was

_____.

Please reimburse the low-income designated Host credit union based on the total business days worked. I attach supporting documentation reflecting the total business days worked by the intern.

Host Credit Union Name: _____

Host Credit Union Official's Signature: _____

Name and Title: _____

Date: _____